



Governor Pence's 2014 Well-Being Plan

December 19, 2013

Governor Pence Details 2014 Legislative Proposal
Focusing on Well-being of Hoosier Communities, Families

What a delight to be with you all today. Thank you for taking time in the midst of the busy holiday season to join us for a conversation about Indiana's future. It is a thrill to be here at one of the premiere institutions in the state of Indiana that serves some of our most vulnerable children and families. Will you join me in giving Joe Jordan and the Boys and Girls Club of Fort Wayne a thundering round of applause?

I want to thank Joe, Frank and all the members of the Board and the staff. More than 400 young people come through these halls every day, and their lives are better and their families are stronger for it. We are honored and grateful to be here and to pay a small debt of gratitude to the Boys and Girls Club, as well as to all those partners within the community that make their important work possible.

I want to acknowledge all the wonderful organizations that are here: YMCA of Greater Ft. Wayne, Hope Alive, A Hope Center, Women's Care Center, Women's Health Link, Lifeline Youth and Family Services, Cross Connections, Mustard Seed Furniture Bank, Woodburn Christian Children's Home, A Friend's House, InAsMuch, Burmese Community Center, and the Latino Community Center. Please make a point to stop by each of their booths. Every one of these organizations has made a difference in the lives of people and families here in Allen County. Thank you for being with us today.

I'm also honored to be with the kids of Horizon Charter School.

After serving almost a year as your Governor and serving part of Allen County for a number of years as a member of Congress, I feel comfortable saying this: Indiana has the greatest legislature in the United States of America.

I want to thank Representative Robert Morris and a new member of the Indiana General Assembly, Representative Casey Cox. Rep. Cox knows he has big shoes to fill. With that in mind, let us all take a moment to express our appreciation for the character, the life, the work, and the legacy of Rep. Phyllis Pond.

Thank you all for coming. To Cathy Humbarger, thank you for helping to bring together so many organizations. It is a joy to be with you today.

I am happy to report to you as we approach the end of 2013 that Indiana is strong and growing stronger.

When I took office, unemployment in Indiana was 8.6 percent. There will be new numbers out tomorrow. The latest numbers are that we've dropped to 7.5 percent which, while still too high, is a five-year low. Indiana's economy is on the move.

We recently were awarded a renewed AAA bond rating from all of the major credit agencies. They looked at our honestly balanced budget, fiscal stewardship, and saw that, here in the state of Indiana, you can invest in education, innovation and reform. You can invest in infrastructure and pass the largest state tax cut in Indiana history, and you can still be the fiscal envy of the country.

Hoosiers are leading the way in fiscal responsibility and pro-growth policies, and it's been my great honor to lead this state as governor over the last year.

People are talking about Indiana all over the place. CEO magazine recently ranked Indiana as the best state for business in the Midwest and the fifth best state for business in the United States of America. Site Selector magazine ranked Indiana as the best state to relocate your business in the Midwest and the second best state in America to start a business.

We've made great progress, and I'm here to talk to you about building on our momentum. The truth of the matter is, for all of the progress that we've made—and Hoosiers deserve the credit for that progress—we still have a long way to go. We must remain bold. We must remain ambitious. As we gather today, nearly a quarter of a million Hoosiers are out of work. Some 200,000 children in Indiana still find themselves in under-performing schools. And families across Indiana are struggling in these difficult economic times. Now, more than ever, we need to redouble our efforts to build on the progress that we've made until good jobs, great schools, safe streets, and strong families are the hallmark of every community in every county in the state of Indiana.

Today, I want to talk to you about our Roadmap for 2014 and about how we can strengthen the foundation for Indiana families.

Over the last several weeks, we have talked about our policies for growing Indiana's economy and strengthening our commitment to education in the state.

In the category of growing the economy, we have called on the kind of tax reform that we think will attract more investment in Indiana. I'm calling on legislators to work with our administration to phase out the business personal property tax in Indiana because I feel it is a barrier to investment and growth in our state. It's important to note that Ohio and Illinois do not have this tax, and Michigan just passed legislation to phase out theirs. In the competition for jobs, I believe this is the next natural step. But it's absolutely essential that we do this in a way that does not unduly burden our local communities. I'm confident we can do that. The purpose of this proposal is to continue to make Indiana more attractive and more competitive for the type of investment that will create jobs.

We also want to promote entrepreneurship by making it easier for new businesses to raise capital. In addition, we're calling for an investment of some \$400 million in infrastructure. I like to say, "If you're going to say you're the Crossroads of America, you better have the roadways to back it up!" Taking care of our roads and bridges is absolutely essential to a growing Indiana economy. We have worked to find resources that have already been appropriated and to put those to work across the state.

We are also encouraging a plan to create a new vision for our large regional cities. Our plan is to initiate a process whereby we encourage private sector leaders to think about how we might improve the quality of life in these communities over the next decade.

In the area of education, our aim is to provide parents and teachers more choices. In the category of more parental choice, we want to strengthen the foundation under our charter schools by allowing charter school networks to manage their funds with the same flexibility that school districts can. We want to strengthen and increase the number of dropout recovery schools, several of which have proven effective at giving people a second chance at getting a full high school diploma. We also want to re-task our efforts for adults that don't have the skills necessary to reach their full potential in the workplace through a performance-based approach and supporting career pathways in our high schools.

We aren't just about increasing choices for families. I also want to increase choices for teachers. My wife Karen is a career schoolteacher. My stepfather, with whom we spend Christmas Eve as tradition in our family, was actually the Indiana State Teacher of the Year back in the 1980s. I think a good teacher makes all the difference, and I could name, just like probably everyone here can, two or three teachers who saw more in me than I saw in myself.

In light of this, we're calling for a teacher innovation fund that would reward teachers who think outside the box with more resources and allow them to bring new approaches to the classroom. We also want to give teachers more choices in where they teach. With this in mind, we came up with the "choices for teachers" proposal. This would allow a schoolteacher to transfer to an under-performing public school or to a charter school that teaches a majority of disadvantaged students without receiving a reduction in pay. Often, as life circumstances change, a teacher may find that her skills are needed in another community. Whether a teacher wants to serve at-risk children or move to the community of their childhood before retirement, teachers should have the freedom to teach where their skills will do the greatest amount of good.

Strengthening the economy and education in our state is of vital importance, but today, I want to talk with you about something of equal importance: strengthening the foundation of the family in our state.

The fabric of Hoosier culture is really woven together by the threads of family, faith, community, and work. And that's a good thing. Arthur Brooks, President of the American Enterprise Institute, having examined the relevant research, has found that our overall sense of well-being as a people is driven in no small part by the quality of our families, our faith experience, the communities in which we live, and the work that we do. In a very real sense, our personal happiness, our personal fulfillment derives from the strength of all of these institutions.

Today, I want to focus on the well-being of Hoosier families and children. The truth of the matter is, in many cases, Hoosier families have been struggling. There have been changes afoot in the culture. As I said in my 2013 State of the State address, I think we need to find a way to talk about this that's thoughtful and respectful of the views of all Hoosiers. First and foremost, as we talk about the changing dynamic, we must do so in a way that lifts and encourages our people and our communities. My sister is

a single mom with three kids. My wife, Karen, was raised for most of her youth by a single mom. Today, you will hear nothing but respect and compassion for single parents raising their children.

When we think about the future we need to think first and foremost about our kids. We have to be honest about the impact unmarried child bearings have on our communities. The Brookings Institute found that if any person in our society does these three things in this order, they have an almost infinitesimal chance of being poor. It's called the Success Equation. Those three things are: finish high school, get a job, and wait until you are married to have children. The percentage of people who do those things and find themselves in persistent poverty is almost nonexistent. I think it's time to be honest about these numbers and share with our kids the importance of these three things: the importance of getting a high school diploma, the importance of being ready for work, and the importance of waiting to have children until you're married. Being honest with our kids about these facts is critical.

President Obama recently gave a speech on income inequality. The truth of the matter is there is an extraordinary disparity in incomes between two-parent families and non-two parent families. As the President noted, the number of people who are born in the top one percent of income, have a small chance of staying in that income level, and for people that are born in the lower 20 percent the chance is 1 in 20.

Family, I would submit to you, is a key indicator of success. So, we are looking for ways that we can encourage more young people to get married, to stay married, and to wait to have children until after they have gotten married. In Indiana, this is particularly important. Back in the 1960s, an average of 5.4 percent of children in our state were born to unmarried parents, a rate that had been unchanged going back decades. It then rose to 20 percent in the 1980s, and is almost 40 percent today. We have the 13th highest unmarried childbearing rate in the nation. The large majority of unmarried childbirths occur to women in their 20s and in their teens. In light of this, I want to talk to you about how we encourage a stronger foundation of our families, and I can think of no better place to address this topic.

We've already taken some steps to strengthen the foundation of families. On my first day in office, I required all state agencies that impact families and children to draft a family impact statement in order to ensure that no rule or regulation in the state of Indiana would be a detriment to healthy families in our state. We've initiated a multi-agency effort to bring together a diverse group of Hoosiers and national leaders to have a conversation about the research and best practices in promoting childbearing in intact homes in the next year. I look forward to working with all the state voters in this room today as we work toward that goal.

I know that the issue of family, and particularly the issue of marriage, will be in discussion in the upcoming session of the General Assembly. Let me just say that there are good people on both sides of the issue. My position on the issue of marriage is fairly well-known. I believe in traditional marriage. But however the General Assembly deals with that issue, I also believe our conversation about family has to be more than just a debate over definitions. We have to come together as a state to encourage stronger families, and I'll briefly summarize some of our ideas.

First and foremost, many of you know that I cherish vulnerable, infant human life. One of the things our administration has done is to focus on a real challenge and a real crisis in the state of Indiana. As I stand here today, I say with a heavy heart, Indiana's infant mortality rate is the sixth worst in America. Now, we gathered together nearly a thousand healthcare officials and stakeholders across the state of Indiana, the first ever summit on infant mortality, and it was just a few short weeks ago. I said it was important as we began a discussion on how we could confront the crisis of infant mortality and that we understand that we're not talking about reducing numbers, we're talking about reducing heartbreak.

Each and every one of these cases is an example of inexplicable pain for Hoosiers, and inexplicable loss for our communities and for our state. We have initiated a process on a multi-agency basis to see how we can make progress in lowering the number of children who die in the first year of life. Infant mortality is a problem that we need to confront together, and we need to confront with urgency. The statistics suggest that mortality is related to early birth weight and rates, and so the Indiana State Department of Health is putting together a plan that will work with outside partners to provide essential prenatal care and education about health practices at 39 weeks. I want to ask you to join us in this conversation. We must make it our aim to stand for the most vulnerable among us. We must lower the infant mortality rate in the state of Indiana.

Our next idea has to do with pre-k education. I believe the best pre-K program is a healthy and prosperous family, something every child needs and deserves. Unfortunately, the truth of the matter is that reality is not the case for tens of thousands of vulnerable children across the state of Indiana. We took some time this year to travel across the state. We met with people operating the most innovative and effective programs in Indiana. We sat on the floor with kids in public pre-K programs, private pre-K programs, faith-based and church-based programs. And I can tell you that Mrs. Pence and I are impressed. When done right, pre-K today is focused on outcomes and on achieving objectives. And it's done right in communities, including this one, across all of Indiana. It's the reason why I think the time has come to provide support for pre-K education for disadvantaged families in Indiana.

It's important that the program be voluntary. I think it's important that the program be available for four-year olds in Indiana in the form of a voucher. I want parents to be able to choose to send their child to a church-based program, a private program, or a public program that they think would best meet their needs. Our proposal is that vouchers be available to families up to 185 percent of the federal poverty level. This would impact nearly 40,000 children in the state of Indiana that don't have access to pre-K today. I believe the time has come, and that there's no time like the present to move forward. I look forward to working with members of the General Assembly as we bring forward that idea and that principle in the days ahead.

I am absolutely convinced that making career and vocational education a priority again in every high school in the state of Indiana will strengthen the foundation for families in our state. We will do right by our kids. We will do right by our families. And we will make our communities and our state stronger.

I'm pleased to report to you that, with unanimous bipartisan support of the Indiana General Assembly, we passed several pieces of legislation that have given us the ability in this next year to make that vision

a reality. I was someone who was raised to believe that all honest work is honorable, and that high school ought to work just as well for our kids who want to go get a job as it does for kids who pursue higher education.

That's why we organized eleven different Regional Works Councils that have been working over the last six months, bringing together educators and business leaders to answer one question: What should the curriculum in high schools in this community look like to give young people the opportunity to get the education, background, and the career training necessary to graduate and get a good-paying job in this community today?

There are few instances of greater heartache than when a young person of great promise drops out of school. Oftentimes, it's not because they're flunking out. The national statistics say that 50 percent of the boys and girls that drop out of high school every year are making a passing grade when they drop out. I believe that by creating more effective career pathways in high school, our young people are going to see the relevance of that high school diploma. They're going to make the right choices because they will see that the future they want is available for them. Lastly, this isn't about a plan A and a plan B. I've lost count of the number of men and women who, after having heard about our vision for career and vocational education, have come up to me and told me that they had started their careers out of high school. If you believe, as I do, that success begets success, we want to make sure our young people, wherever they want to start in life, can start successfully. It's going to be better for them and it's going to be better for our state as whole.

One last thing I want to talk about has to do with making sure our tax code treats families fairly. I believe the time has come for us to index the per child dependency exemption in the state of Indiana in order to strengthen and protect the fiscal foundation under our families for years to come. We have not increased the dependence exemption in our tax code since 1978, even though the cost of living has is now 3.6 times higher. Our personal exemption hasn't been increased since 1963—when I was just four years old. The cost of living is 7.6 times higher today. If we begin indexing our exemption to inflation, we will ensure that wherever we are today will not be eroded as years go on for families. The truth is, if we'd been indexing our exemptions all along, our personal exemption would be worth \$7600 today; for individuals, our dependent exemption would be worthy \$3600 per child. That makes a real difference in the lives of families. I think the time has come to reform the tax code in Indiana, so Indiana's tax laws say "Yes" to families.

I really do believe that strengthening the foundation of families and affirming the importance of families is critical, and we need to advance policies that will help achieve the results to which we all aspire.

One last way we can do that has to do with adoption. Recently, we hosted the very first adoption fair in the state of Indiana at the Statehouse. Some of you were here for that and it was very special. It was on that occasion that Mrs. Pence shared that about 22 years ago we had gone through 5-6 years of unexplained infertility. We simply could not get our family started, and so we made the decision to enter the adoption process in Indiana. We went all the way through it when God had other plans and my 22 year old Boilermaker son decided to head our way. And then we got the call about a mother who had

chosen us and the only other question we had at that point was, was the other family clinically proven infertile. When we heard that they were, we said, "No, we have been blessed." But to this day, we have always cherished and admired families that have gone through adoption, and we have seen that there are all kinds of ways of putting families together.

We want to be a state that is pro-adoption. Our agenda for this upcoming session is to expand and improve adoption in Indiana. Our primary proposal is to attach a state tax credit with the federal adoption credit to lessen the burden on couples who pursue adoption. We also want to form a committee that studies best practices in other states so we can better engage faith-based and community-based organizations to match adoptive parents with children. I want to tell you that my aim is very simple: I want Indiana to be the most pro-adoption state in the United States of America.

So thank you for coming during a very busy holiday season. Thanks for coming for this very important conversation in Fort Wayne today.

I truly believe that by working together we can strengthen the foundation under Indiana families. We can reduce infant fatality, we can expand opportunities for earlier development for vulnerable children in this society, we can promote innovation in schools so our kids can get the education they deserve and want, are able to graduate from school with higher frequency, and are able to support themselves and their families. I believe we can strengthen the fiscal foundation of our families through tax reform in Indiana. I believe we can reform Indiana to make adoption more prevalent and the blessing of adoption more frequent in our state. But it's going to take energy to do it and we're going to have to stay ambitious. I just want to assure you that with whatever time I have, it is always going to be my aim to be bold and keep my eyes and my heart fixed on people who are struggling in this economy, on families that are struggling in this economy, on kids that find themselves in under-performing schools. For them, for their sake, we have to remain ambitious. We have to remain bold.

And the good news is I know we will. It's just what Hoosiers do. I've seen it again and again and last year I saw it throughout my entire service. When Hoosiers know that there is someone in need, they step up without regard to the costs of them and make a difference. I just want to say that in this coming session of the legislature and in the coming years, let's all come together in ways that are going to make a difference in this generation and the next and expand opportunities for all our people, for all of our families, and for all of our children.

Thank you very much.